

Bell Atlantic
1300 I Street, N.W.
Suite 400 West
Washington, DC 20005

Gerald Asch
Director
Federal Regulatory
202 336-7844
Fax 202 336-7866



March 11, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TWB-204
Washington, D.C. 20554

RECEIVED

MAR 11 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Ms. Salas:

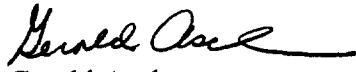
Re: **Ex Parte**
File No. AAD 98-24, Bell Atlantic's Progress Report on Compliance and Bell Atlantic - NYNEX Merger Order Conditions; CC Docket No. 98-184, Application of GTE and Bell Atlantic for Consent to Transfer of Control; and CC Docket No. 99-24, Petition of Bell Atlantic Telephone Companies for Forbearance from Regulation as Dominant Carriers in Delaware; Maryland; Massachusetts; New Hampshire; New Jersey; New York; Pennsylvania; Rhode Island; Washington, D.C.; Vermont; and Virginia

On Wednesday, March 10, 1999, Joe DiBella, Patricia Koch, Craig Soloff, David Swan and the undersigned met with the FCC's Claire Blue, Tony Dale, William Hill, Jim Lichford, Johanna Mikes, Colleen Nibbe, Tim Peterson, Andre Rausch, Jose Rodriguez, Mark Seifert, Mark Stephens, Whitey Thayer and Peter Young to discuss MCI's February 11, 1999 Ex Parte filed in pending proceedings File No. AAD 98-24 and CC Docket No. 98-184, concerning the quality of Bell Atlantic's special access services. In the course of the meeting, Bell Atlantic also discussed material already on the public record in CC Docket No. 99-24.

Bell Atlantic discussed the network investments it has made to improve the quality of its special access services, and it demonstrated that the data presented by MCI do not support MCI's claims of reductions in service quality. For these reasons, Bell Atlantic argued that no FCC intervention is required.

A copy of the discussion materials provided to the FCC participants is included. An original and a copy of this Ex Parte are being filed with the Office of the Secretary on March 11, 1999. Please include it in the public record of the referenced proceedings.

Sincerely,


Gerald Asch

Attachment

cc:	Claire Blue	w/o attachment
	Tony Dale	"
	William Hill	"
	Jim Lichford	"
	Johanna Mikes	"
	Colleen Nibbe	"
	Tim Peterson	"
	Andre Rausch	"
	Jose Rodriguez	"
	Mark Seifert	"
	Mark Stephens	"
	Whitey Thayer	"
	Peter Young	"

FCC MEETING – MARCH 10, 1999

BELL ATLANTIC

RESPONSE TO MCI EX PARTE OF FEBRUARY 11, 1999

OVERVIEW

- Special Access Is A Highly Competitive Market
- Bell Atlantic Has Increased Network Investment And The Number Of Telephone Company Employees
- Bell Atlantic Has Improved Special Access Service Quality
- Bell Atlantic Is Actively Responding To MCI's Concerns And Desires
- MCI's Charts Mischaracterize Current Service Quality Trends – Service To MCI Did Not Decline In 1998
- Conclusion

SPECIAL ACCESS IS HIGHLY COMPETITIVE

Numerous Alternative Facilities-Based Providers

Interexchange Carriers Have Vertically Integrated With Competitive Access Providers

Competitors Have Facilities In Place That Allow Them To Reach From 80 To 100 Percent Of Bell Atlantic's Special Access Demand In States Where Bell Atlantic Has Sought Forbearance

Competitors Have Gained 30 To 50 Percent Of The High Capacity Special Access Market In Key Business Centers

Competitors Have Connected Their Networks To Approximately 370 Of Bell Atlantic's Wire Centers Through Over 900 Collocation Arrangements

Demand Is Highly Concentrated -- Ninety-Three Percent Of Bell Atlantic's Special Access Demand Is Located In 20 Percent Of Its Wire Centers. 40% Of Bell Atlantic's Wire Centers Have No Special Access Demand At All.

**DESPITE COMPETITION, SPECIAL ACCESS DEMAND IS
GROWING AND PUTTING PRESSURE ON NETWORK OPERATIONS**

Demand Is Expanding Rapidly For High Capacity Services To Small Business And Residential Customers

Constant Change Within Our Customers' Business And Business Processes

BELL ATLANTIC HAS INCREASED NETWORK INVESTMENT AND THE NUMBER OF TELEPHONE COMPANY EMPLOYEES

Total Bell Atlantic
Network Investment
1995 through 1997
Dollars in thousands

	ARMIS 43-02	1995	1996	1997
Total Depreciation Accruals-All Plant	Table B-2, Row 490	4,714,115	4,798,498	4,841,297
Total Plant Additions - TPIS	Table B-1, Row 240	4,648,303	5,114,903	5,443,474
Depreciation	Table B-5			
COE Circuit		1,224,871	1,255,129	1,349,536
CWF		1,566,679	1,565,635	1,644,177
Plant Additions	Table B-1			
COE Circuit		1,266,374	1,341,354	1,518,870
CWF		1,262,423	1,288,806	1,563,470
Employees		94,999	96,650	99,954

**BELL ATLANTIC IS INVESTING IN ADVANCED FEATURES
THAT WILL IMPROVE SERVICE QUALITY**

Interoffice Facility Investment Levels From Bell Atlantic South Are Being Driven Across The Footprint

Investment In Test Platform And Infrastructure

React System

DCS Access

Genius Jacks

Aggressive Deployment Of SONET In Interoffice And Loop

1998 Interoffice And Outside Plant Improvements

Optical Interfaces – 45 New WDCS Machines

Increased Access To SONET Rings In An Additional 208 Central Offices

SONET Rings – 229 Rings Deployed – 2,684 Total Deployed

213 New Fiber Spans Added – 98.5% Of Total Interoffice DS1 On Fiber

Asynchronous Equipment – 342 Systems Removed

**BELL ATLANTIC IS INVESTING IN ADVANCED FEATURES
THAT WILL IMPROVE SERVICE QUALITY**

Percentage Of Feeder Routes With Fiber Presence – 66.2%

Infrastructure Upgrades To Support Provisioning And Maintenance

Elimination Of Coax With Optical Hand-Offs From SONET Rings

Deployment Of Additional Test Access Points For DS1 Services

Upgrade Of New York And New England Test Platform In 1999 And 2000

BELL ATLANTIC HAS IMPROVED SPECIAL ACCESS SERVICE QUALITY

**BELL ATLANTIC SPECIAL ACCESS PERFORMANCE
ARMIS REPORTS**

	<u>1995</u>	<u>1996</u>	<u>1997</u>
Total Number of Circuit Installations	127,349	161,339	246,767
Percent Installation Commitments Met	91.16	88.13	96.53
Average Installation Interval (days)	16.60	19.80	13.00
Average Repair Interval (hours)	3.5	3.1	2.6

**BELL ATLANTIC IS ACTIVELY RESPONDING
TO MCI'S CONCERNS AND DESIRES**

- Dedicated Account Manager
- Dedicated Service Manager
- Developing Customized Solutions To Retain And Grow The Business
- Consolidation Of MCI Access Service Functions Into Carrier Account Team Centers To Facilitate Daily Business Transactions And Improve Service
- Daily Alignment With MCI Priorities And Needs
- Monthly Service Action Meetings
- Quarterly Executive Meetings
 - Partnership Opportunities
 - Service Commitments

PARTNERING WITH MCI

- Striving To Agree On Key Data And Metrics
- Implementation Of Best Practices
- Integrating Processes To Drive Down End-To-End Cycle Time
 1. Query Cycle Time
 2. Eliminate Redundant Acceptance Testing
 3. Electronic Bonding
- Working With MCI On Forecasting And Planning DS3 Capacity
- Bell Atlantic Has Committed To Further Improvement In Results For MCI In 1999

**MCI'S PRESENTATION MISCHARACTERIZES CURRENT
SERVICE QUALITY TRENDS AND BELL ATLANTIC'S
RESPONSIVENESS TO THEIR BUSINESS REQUIREMENTS**

CONCLUSION

MCI Data Do Not Support Allegations Of Service Deterioration

FCC Intervention Is Not Required

- Bell Atlantic Is Responsive To MCI Requests For Continual Improvement
- Competition And Private Negotiations Are Working
- There Is No Basis For Enforcing Unreasonable Standards



**MCI Communications
Corporation**

Local Markets and Enforcement
1801 Pennsylvania Avenue, NW
Suite 414
Washington, DC 20006

February 11, 1999

EX PARTE

VIA HAND DELIVERY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TWB-204
Washington, D.C. 20554

Re: Bell Atlantic's Progress Report on Compliance with Bell Atlantic-NYNEX Merger Order
Conditions, File No. AAD 98-24, and Application of GTE and Bell Atlantic for Consent
to Transfer of Control, CC Docket No. 98-184

On Wednesday, February 10, 1999, Bill LaPerch, Marcel Henry, Lisa Smith, Lisa Youngers and I met with Anthony Dale, William Hill, Whitey Thayer, Timothy Peterson, Frank Lamancusa, Kenneth Moran, Claire Blue, Florence Grasso, Johanna Mikes, Michael Kende, Peter Young, Jose Rodriguez, Colleen Nibbe, Gerald Chakerian, Kent Nilsson, Andrew Mulitz and To-Quyen Truong to discuss MCI WorldCom's continued receipt of poor quality and deteriorating access services provided by Bell Atlantic.

As set forth in the attached presentation, MCI WorldCom explained that it receives unacceptable access service from Bell Atlantic. Further, MCI WorldCom detailed its attempts to rectify these matters; however, these attempts have not been successful, and the quality of access service provided by Bell Atlantic continues to degrade. MCI WorldCom has requested the Commission's assistance in ensuring that Bell Atlantic provides greatly improved access services to the company.

Pursuant to section 1.1206(b) of the Commission's Rules, MCI WorldCom submits two copies of the attached presentation and an original and one copy of this memorandum for inclusion in the public record of the above-referenced proceedings.

Sincerely,

R. Dale Dixon, Jr.

Ms. Magalie Roman Salas

February 11, 1999

Page 2

cc: Anthony Dale
William Hill
Whitey Thayer
Timothy Peterson
Frank Lamancusa
Kenneth Moran
Claire Blue
Florence Grasso
Johanna Mikes
Michael Kende
Peter Young
Jose Rodriguez
Colleen Nibbe
Gerald Chakerian
Kent Nilsson
Andrew Multz
Janice Myles
To-Quyen Truong
Debbie Byrd



FCC Meeting

The Bell Atlantic Performance Story

BA 1999 Action Plan

Provisioning/Installation

- No Commitment to Improve
- No Quantifiable Goals for Improved Service

Overview

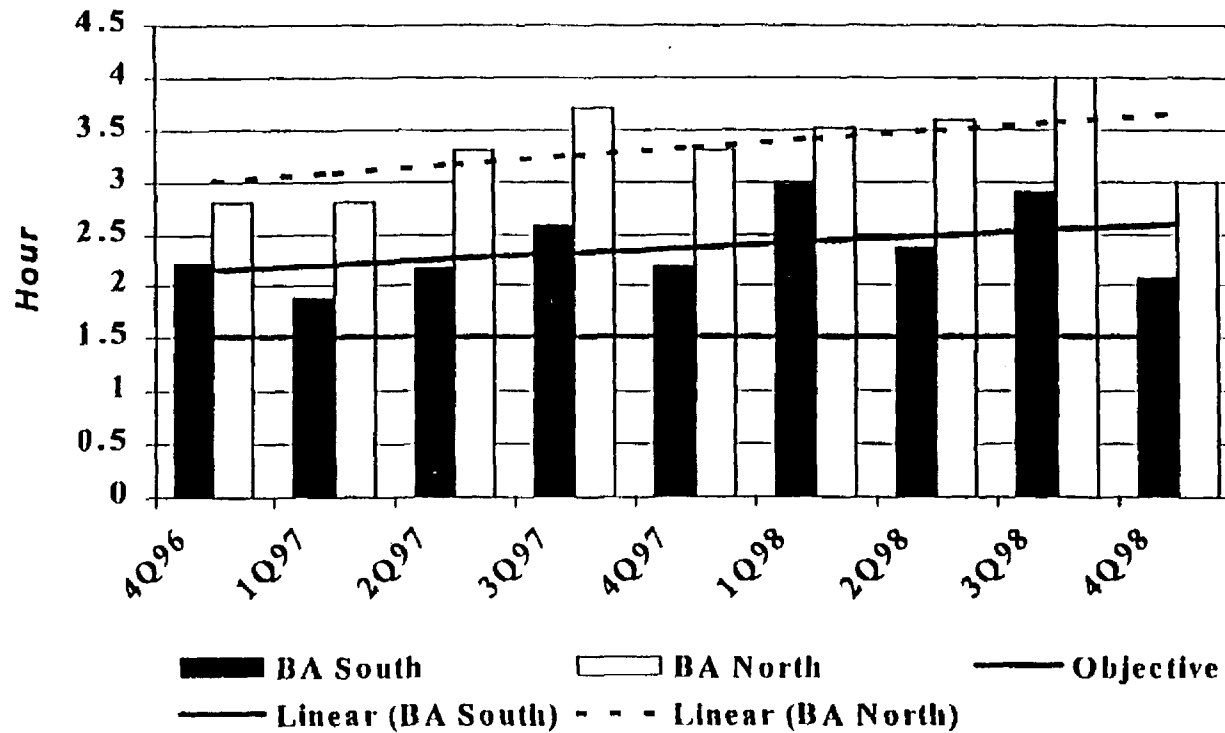
- Access Service Deterioration
 - Maintenance is Unacceptable
 - Service Delivery at Unacceptable
- Customers Negatively Impacted
- Business Escalations Futile
- Multiple “Get Better” Plans Attempted
- Next Step: FCC Support

Maintenance Issues

- Mean time to repair (MTTR)
 - BA South - Worst levels in 3 years for all circuit types
 - BA North - For last 2 years, no improvement for DS1 & DDS

Maintenance Issues

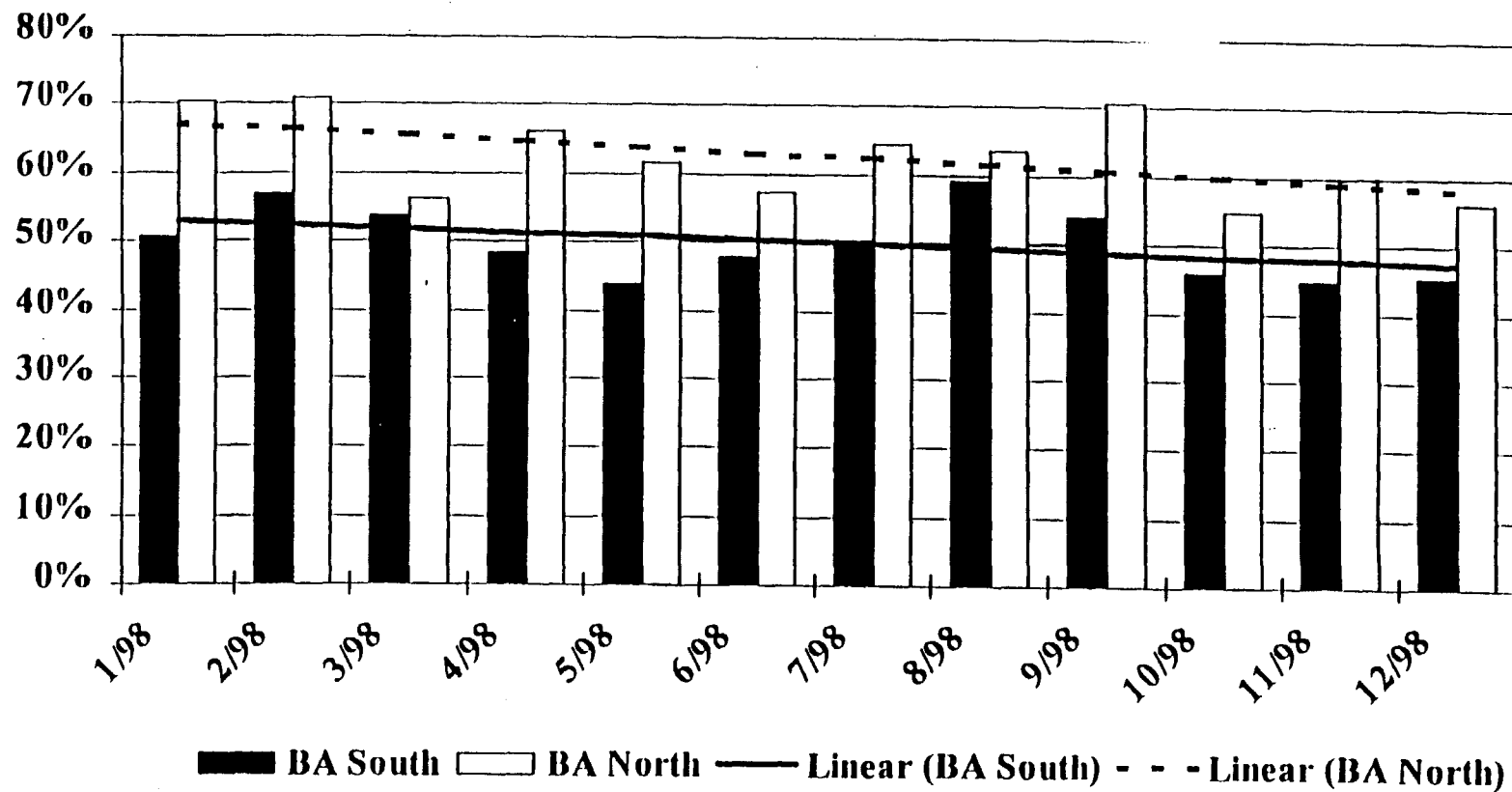
Bell Atlantic Quarterly Data - MTTR DS1*



*BA self-reported data

Maintenance Issues

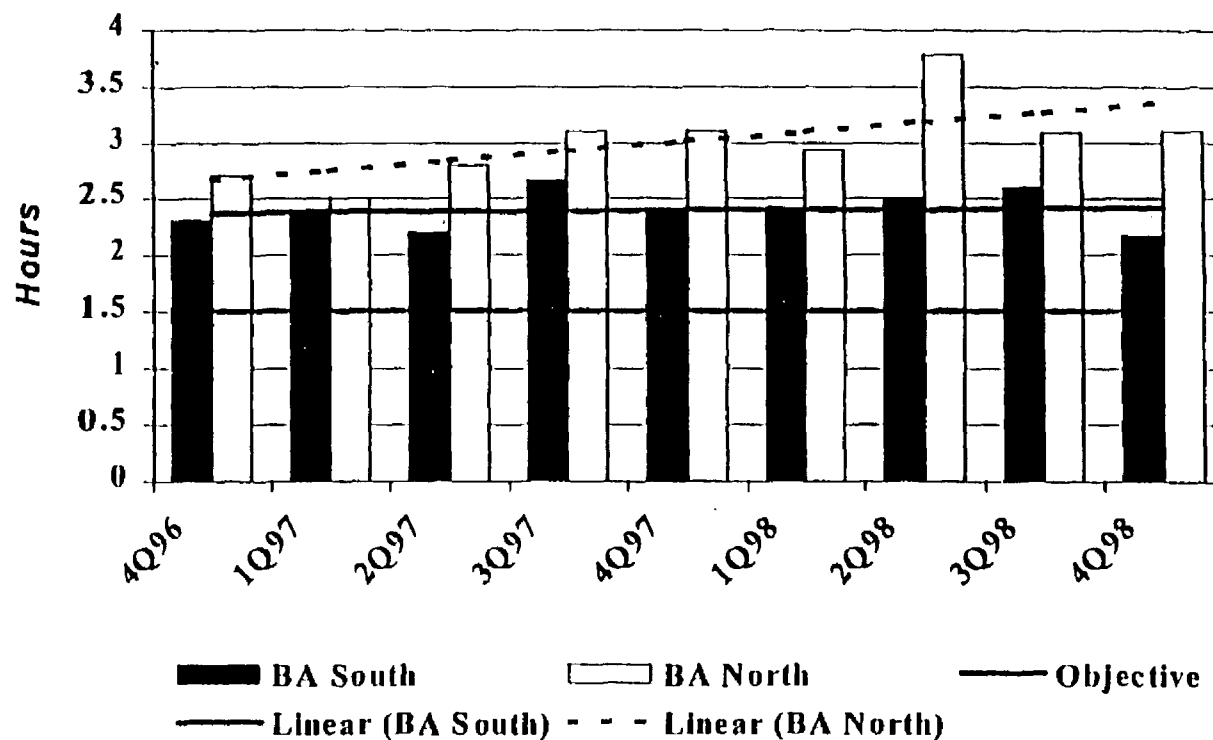
Bell Atlantic - MTTR DS1 (% > Objective)*



*BA self-reported data

Maintenance Issues

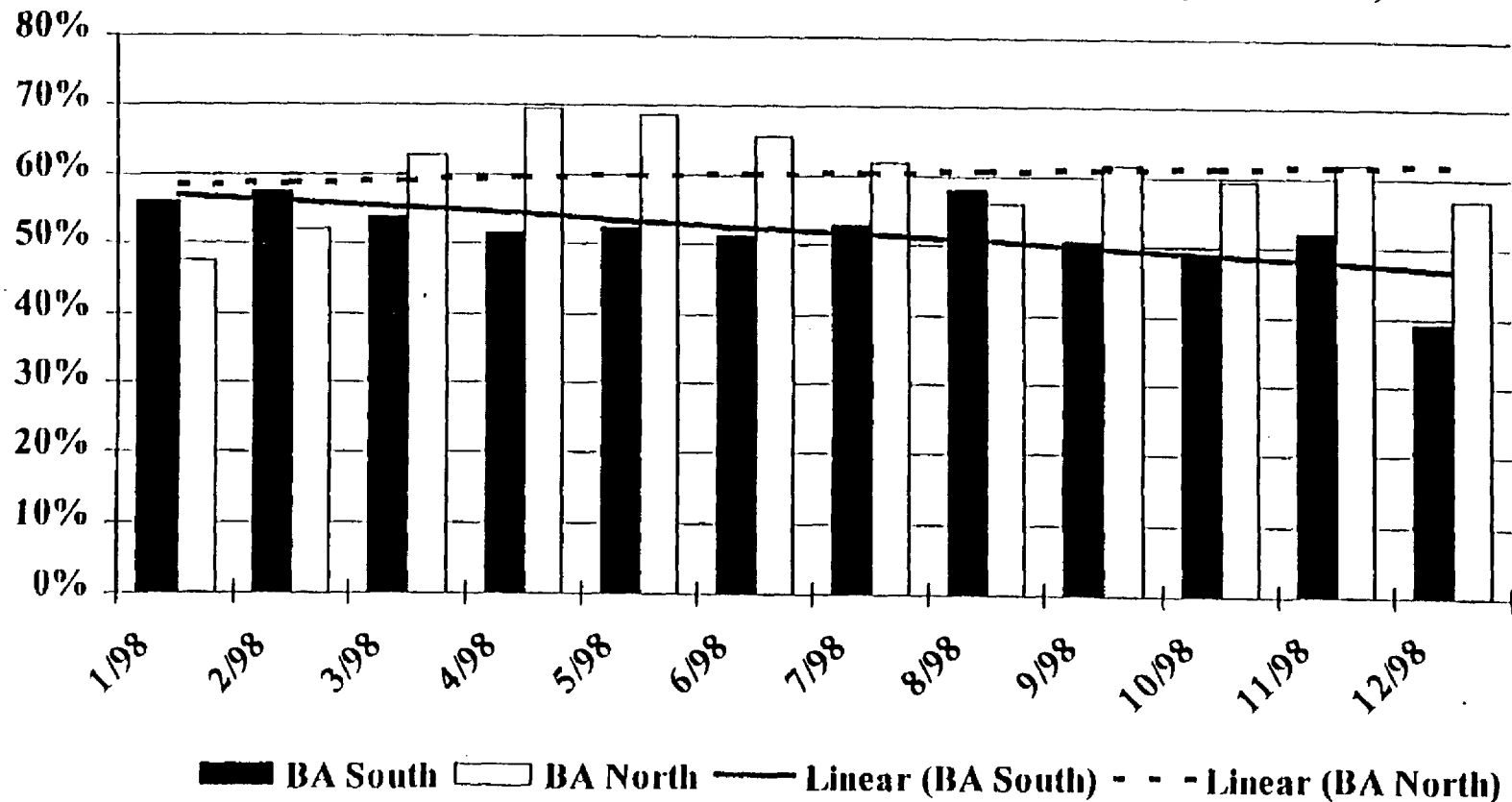
Bell Atlantic Quarterly Data-MTTR DDS*



*BA self-reported data

Maintenance Issues

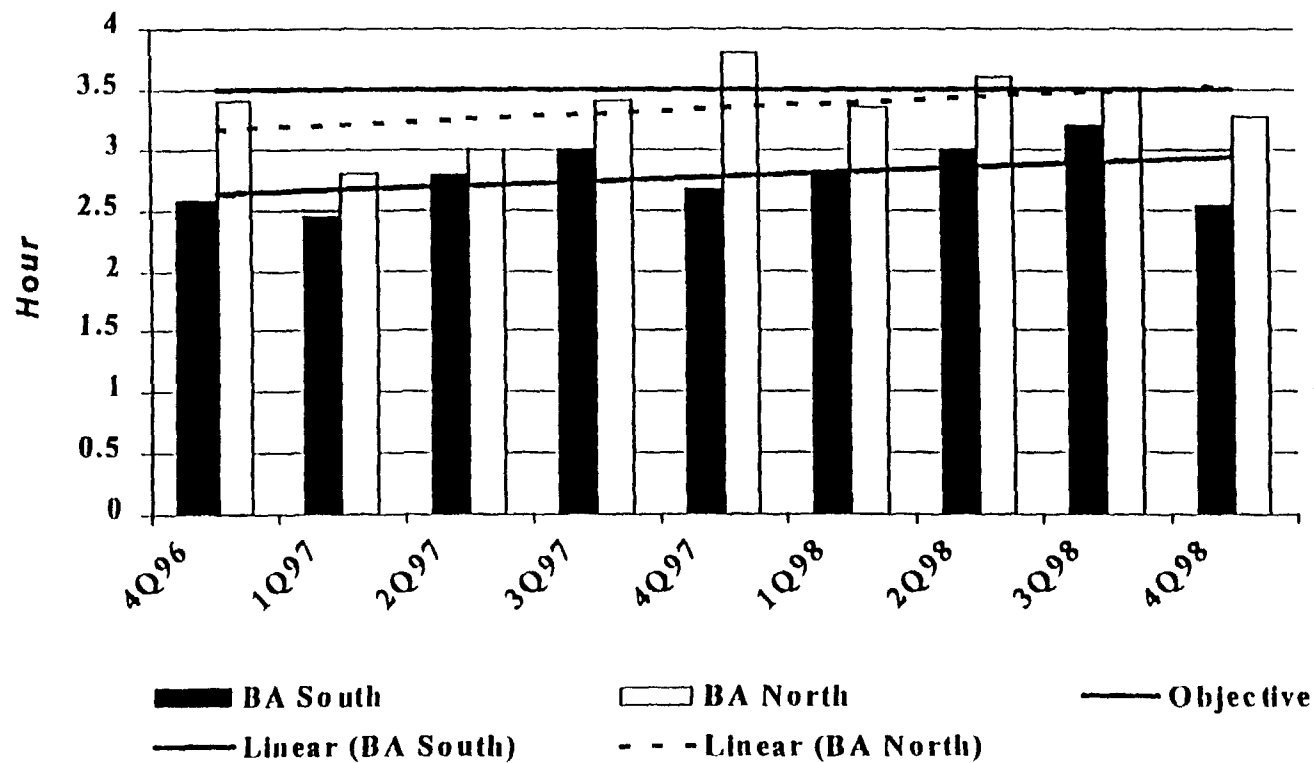
Bell Atlantic - MTTR DDS (% > Objective)*



*BA self-reported data

Maintenance Issues

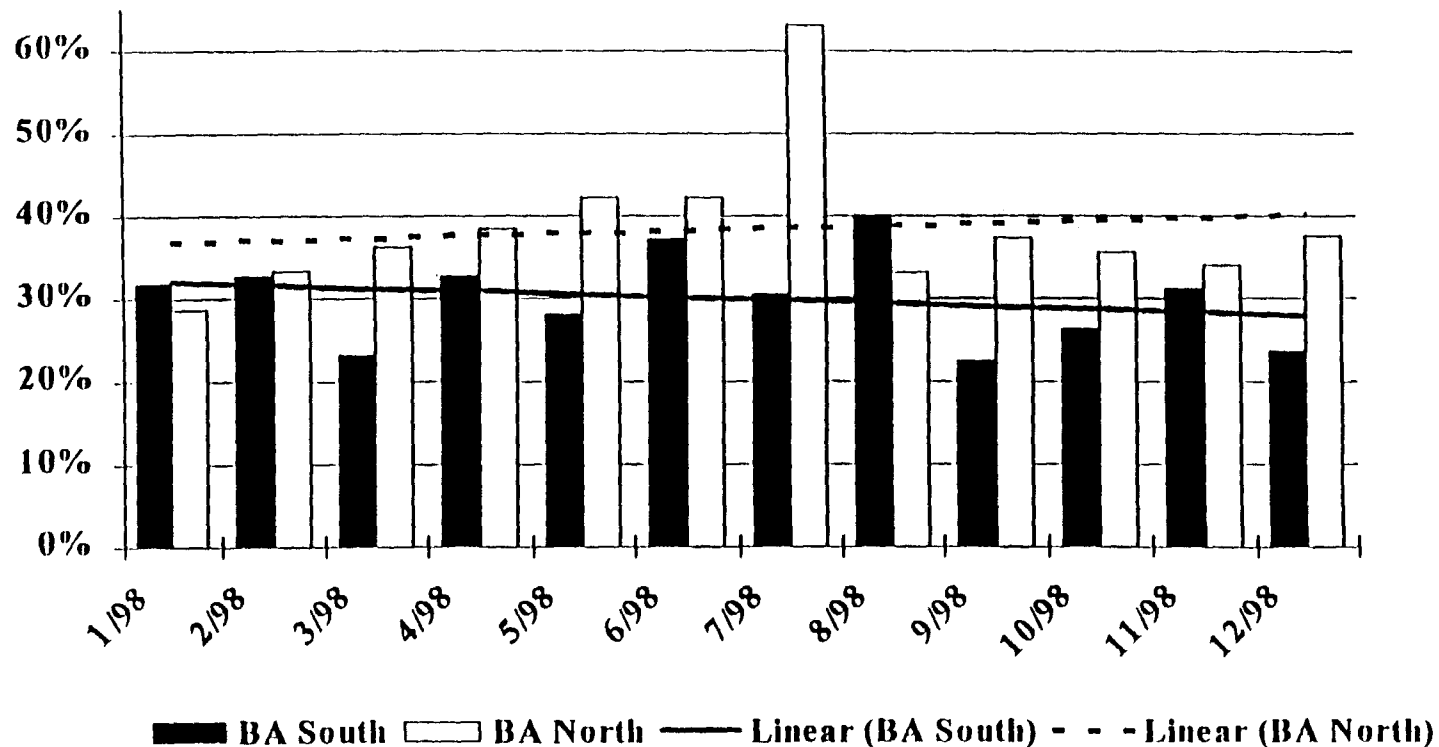
Bell Atlantic South Quarterly Data - MTTR VGPL*



*BA self-reported data

Maintenance Issues

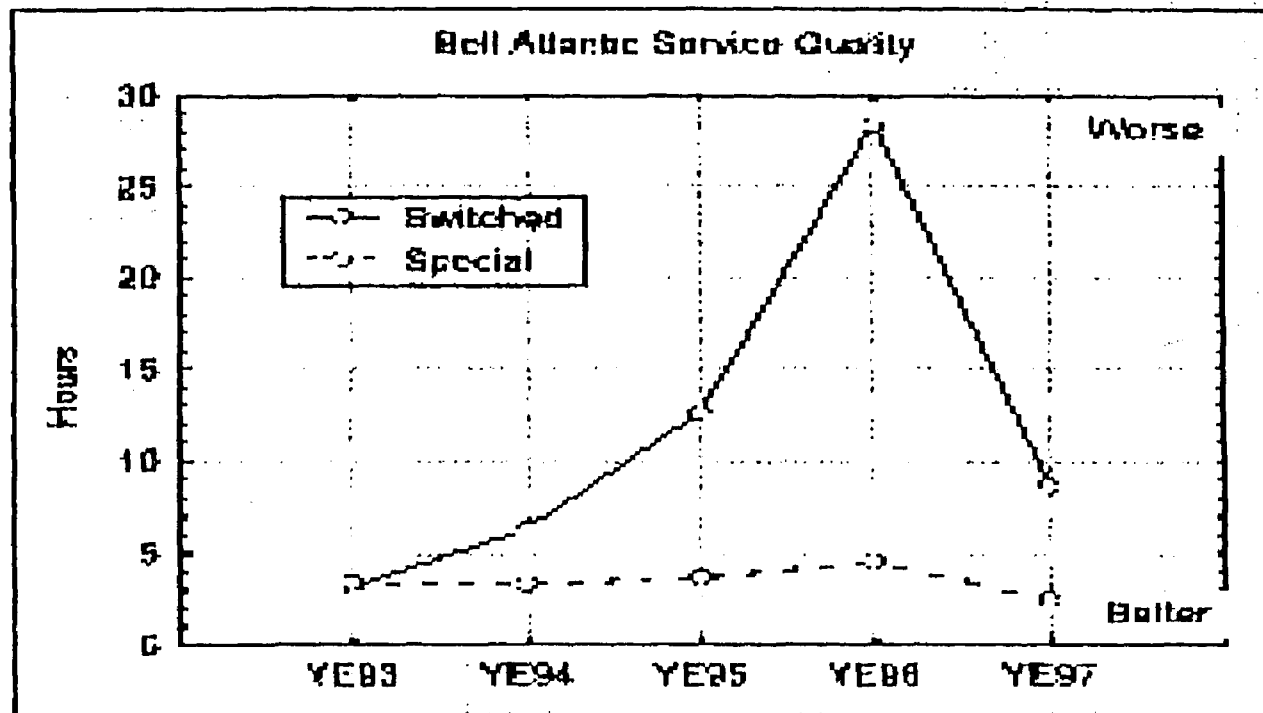
Bell Atlantic - MTTR VGPL (% > Objective)*



*BA self-reported data

Maintenance ARMIS TABLES

Repair Intervals for IXC Services*
(Source: 43-05, Table I)



*Does not compare to MCIW specific data.

Maintenance Issues

- DS3 / Large Capacity Outages
 - Reactive, MCIW First to Know
 - Restore vs. Repair
 - Infrastructure Investment not Working

Provisioning and Installation Issues DS3s

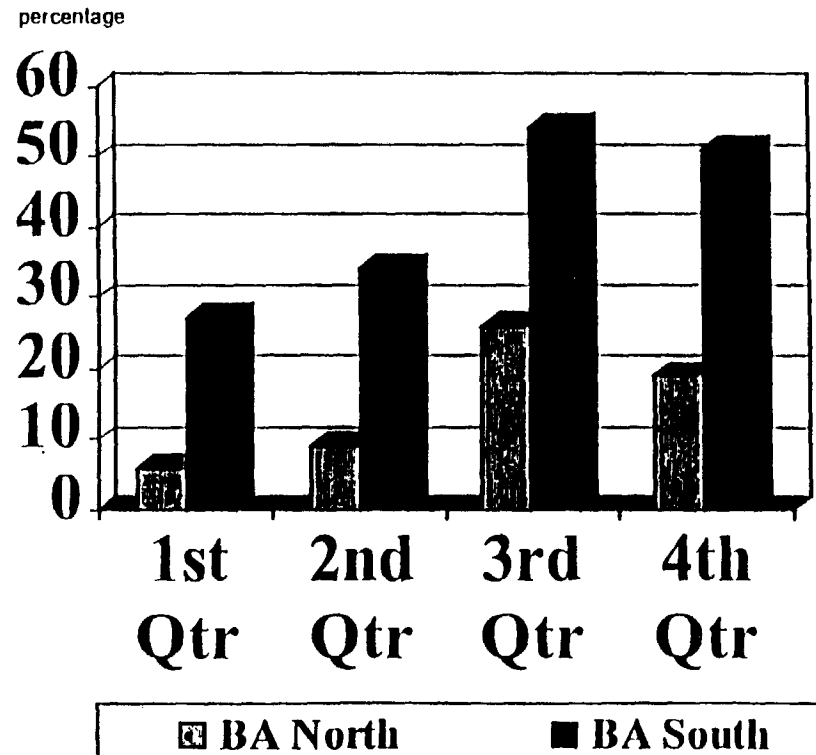
- DS3
 - BA has Failed to Provide Standard Intervals:
 - FOC
 - DLR
 - Installation
 - BA Consistently Fails to Meet MCIW Requested Due Date
 - Facilities Shortages Delay Delivery in Northeast
 - Delivery Dates Missed Due to:
 - Incomplete Operations Work
 - Delayed Facilities
 - Continuity Problems
 - Engineering Errors

Provisioning and Installation Issues

DS3s

Bell Atlantic Performance Report: 1998

FOC On-Time Performance (6 Days)*



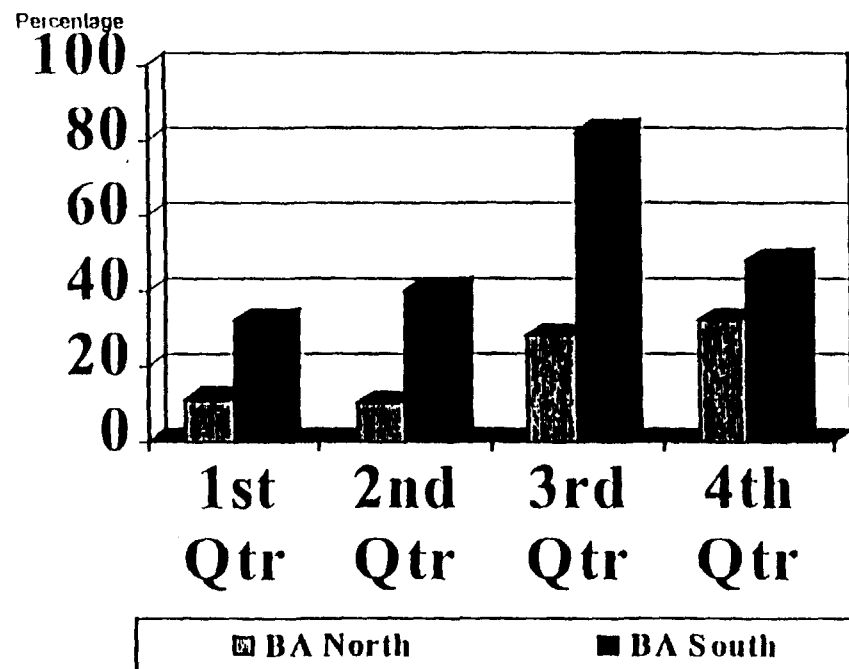
*MCIW reported data.

Note: BA Refuses to commit to standard FOC interval

Provisioning and Installation Issues DS3s

Bell Atlantic Performance Report: 1998 (Cont'd)

DLR On Time Performance (13 Days)*



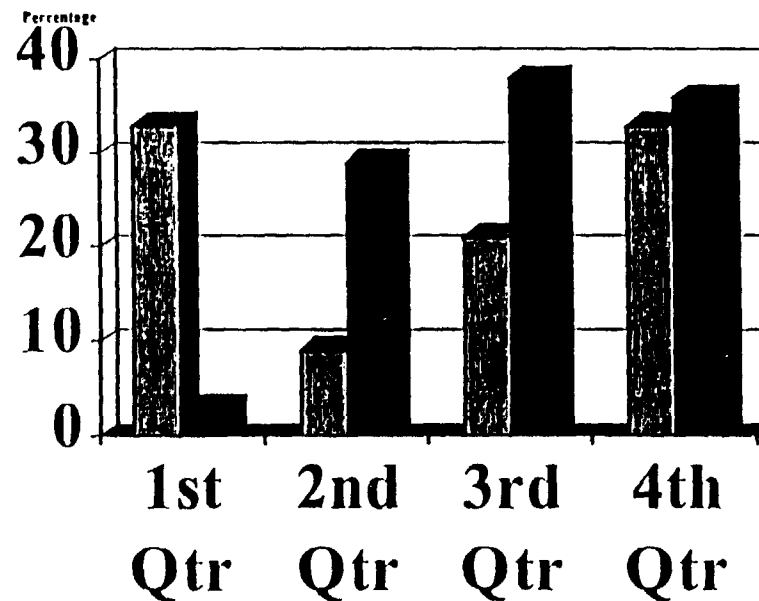
*MCIW reported data.

Note: BA Refuses to commit to standard DLR interval

Provisioning and Installation Issues DS3s

Bell Atlantic Performance Report: 1998 (Cont'd)

MRDD to LOOP Delivery Performance*



BA North

BA South

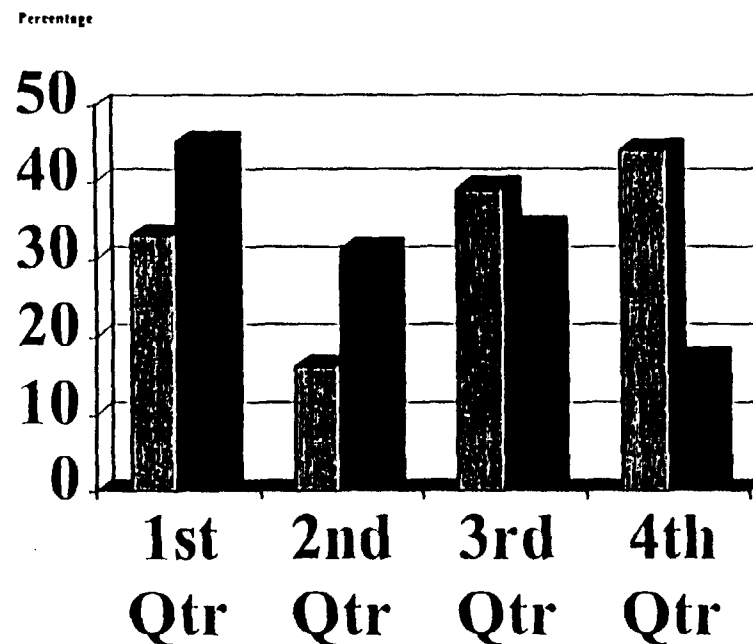
* MCIW reported data

Note: MCIW orders DS3s 45 days in advance to compensate for BA internal problems.

Provisioning and Installation Issues DS3s

Bell Atlantic Performance Report: 1998 (Cont'd)

FOC DD to LOOP Delivery Performance*



■ BA North

■ BA South

*MCIW reported data.

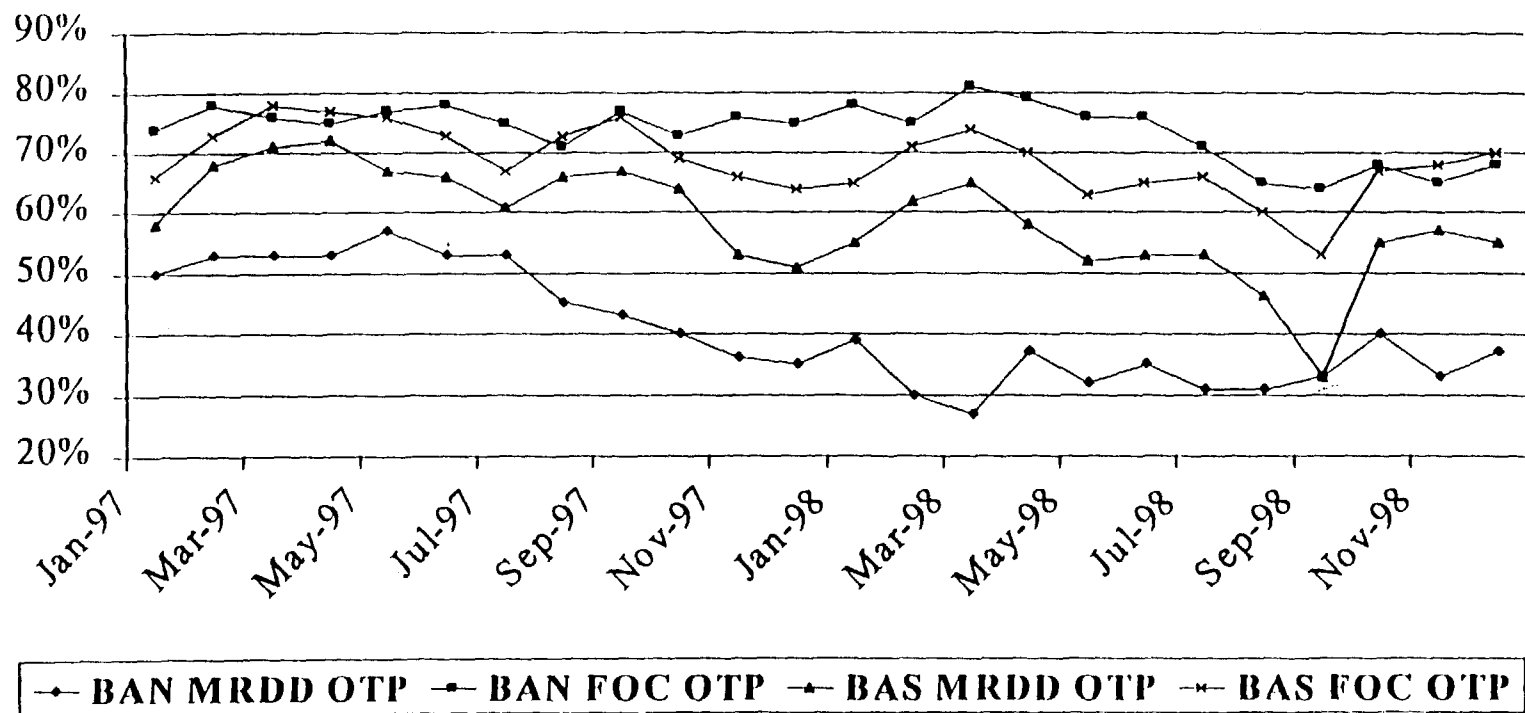
Provisioning and Installation Issues

DS1/DDS/VG

- **Service Delivery Deterioration**
 - **Declining FOC Delivery (1Q97-4Q98)**
 - BA North - Down 37%
 - BA South - Down 12%
 - **Delivery Interval Increased (1Q97-4Q98)**
 - BA North - 3 Days
 - BA South - 2 Days
 - **CNR (Customer Not Ready)**
 - BA Not Following CNR Policy
 - 170 Orders Classified CNR by BA. 17 Valid CNR when Reconciled (12/98 data).

Provisioning and Installation Issues DS1/DDS/VG

Bell Atlantic On-Time Delivery Performance*

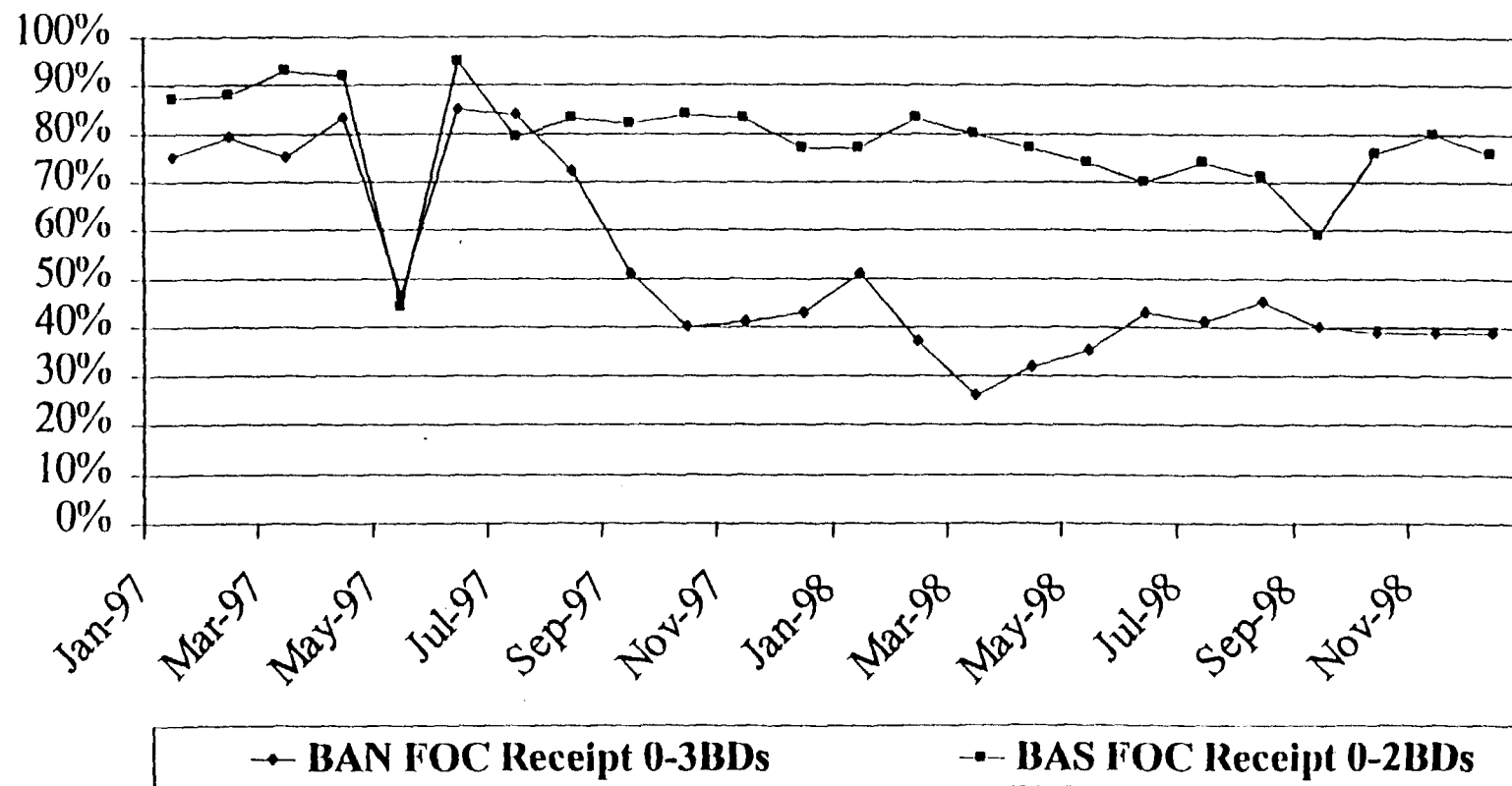


* MCIW self-reported data

Note: CNR discrepancies do not effect negative trends.

Provisioning and Installation Issues DS1/DDS/VG

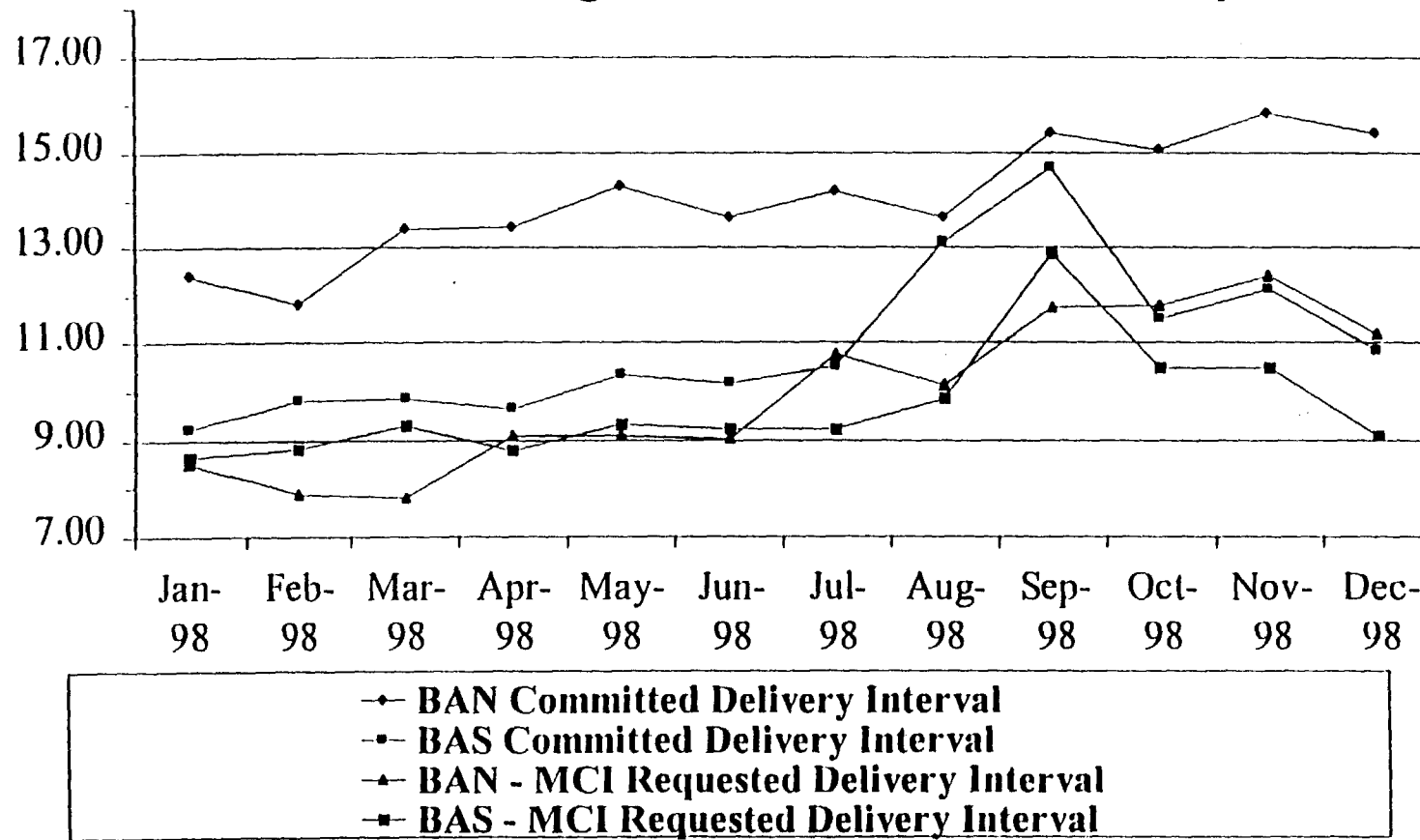
Bell Atlantic On-time FOC Delivery Performance*



*MCIW self-reported data

Provisioning and Installation Issues DS1/DDS/VG

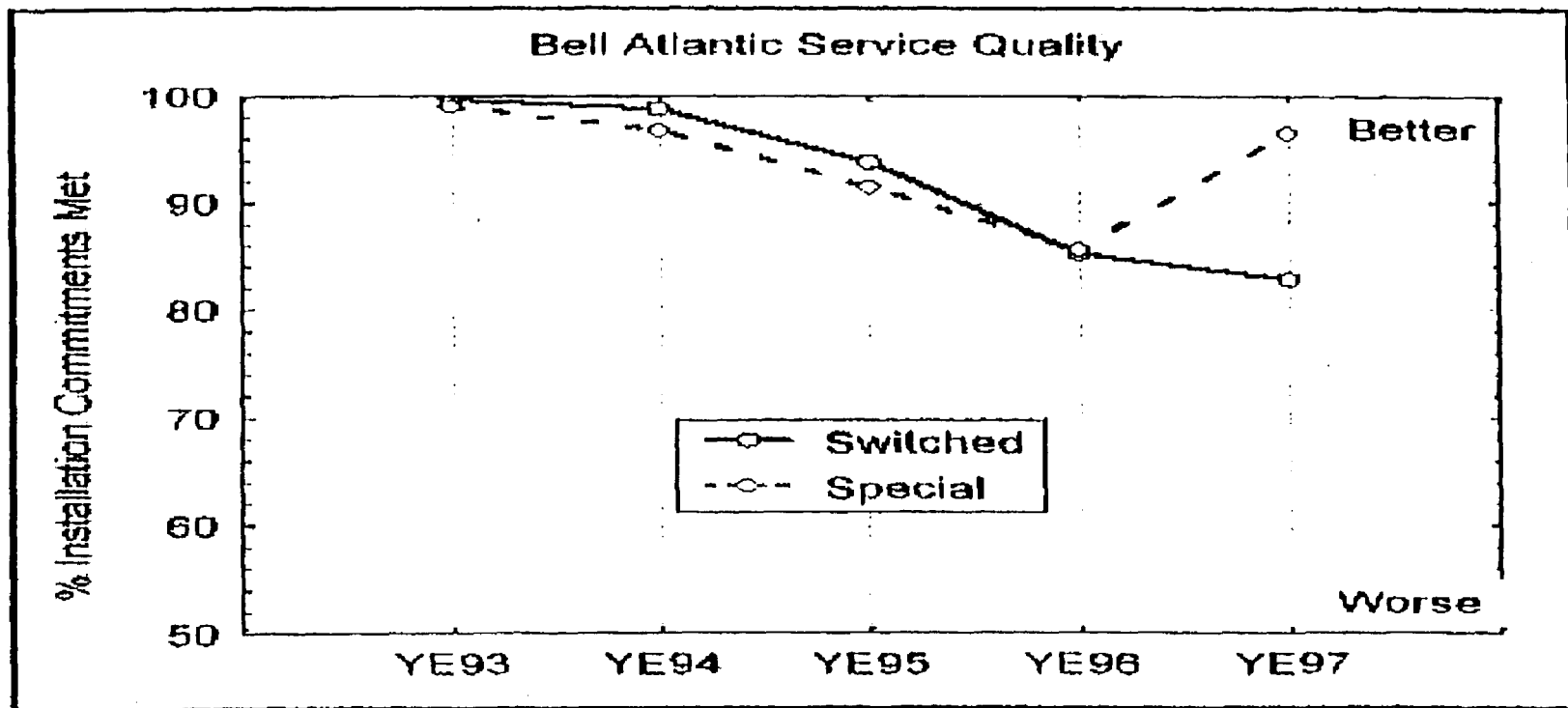
Bell Atlantic Average Committed Delivery Interval*



*MCIW self-reported data

Provisioning and Installation ARMIS TABLES

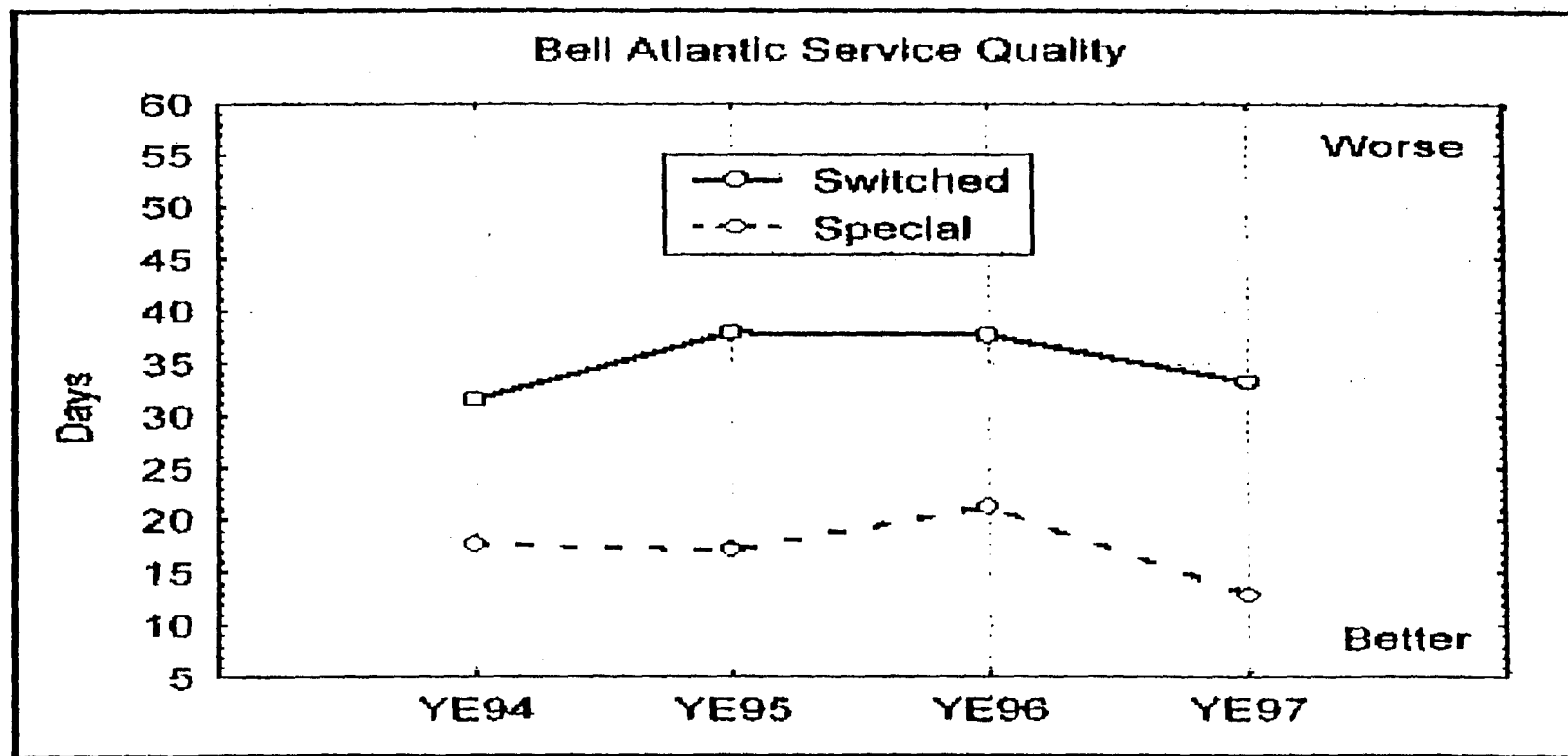
Installation Commitments for IXC Service*
(Source: 43-05, Table I)



*MCIW reporting does not show positive trend in 1997 (CNR issue).

Provisioning and Installation ARMIS TABLES

Installation Intervals for IXC Service*
(Source: 43-05, Table 1)



*Generally agrees with MCIW reporting. Interval deteriorating.

Customer Examples: Maintenance

Bell Atlantic South / Case #1

Customer : Multiple

Bell Atlantic Ticket # : AC074330

3/23/98	2154	104T3 between BA Pottstown and MCI Pottstown out of service.
	2157	Service inquiry sent to BA. Ticket AC074330 opened.
	2219	Escalated to Ron Barbin/BA
	2255	FMAC involved and dispatching techs to Pottstown CO.
	2349	BA reports that after testing loopbacks and normalling system, that the system is stable and they request to close ticket. MCI keep ticket open for monitoring purposes.
3/24/98	0020	DS3 is bouncing again. BA advises technicians have left and will need to be called back out.
	0117	FMAC remotely access OC48 at MCI Pottstown and advises a tech will be dispatched to MCI location. Ticket escalated 3rd level.
	0222	BA technician arrives at MCI location. At approximately 0250, high speed card is replaced and system alarm clears.
	0410	DS3 is down again, and BA technicians need to be called out (again).

Customer Examples: Maintenance

Bell Atlantic South / Case #1 (continued)

Customer : Multiple

Bell Atlantic Ticket # :

AC074330

3/24/98	0429	Technicians arrive back at MCI site, but inform MCI techs that they need to wait on personnel to be dispatched to Pottstown CO.
	0631	BA tech arrives at CO and attempts to roll traffic to spare. This is unsuccessful so traffic is placed back on normal path and troubleshooting resumes.
	0715	BA technician advises he found a faulty DS3 cable or connection. System is back and and will be monitored.
	0815	System stable for past hour and ticket closed.

Issues :

1. BA did not attempt reroute of traffic until the outage was in its 8th hour.
2. Too many dispatches need to finally resolve. In some cases dispatches took in excess of 2 hours.
3. The reported problem was intermittent in nature, though BA did not attempt to do any extended monitoring after they thought issue was resolved (see 3/23 2349).

Customer Examples: Maintenance

Bell Atlantic South / Case #2

Customer : Multiple

Bell Atlantic Ticket # :

AC070634

AC070587

AC070588

AC070589

AC070592

AC070724

1/27/98 - 1/29/98

Multiple outages caused during this 3 day period by hi-cap rearrangements being done by the Philadelphia Special Services Center. This work was done during normal business hours, and without any prior notification to MCIWorldcom. To make matters worse, outages were extended by improper mapping of circuits after circuit rearrangements were completed.

Customer Examples: Provisioning/Installation

Bell Atlantic / Case #1(Golub Corp)

- 11205588WCS00001: ASR issued on 10/5 requesting an 11/9 loop date.
- Initial FOC received on 11/5 with an 11/10 due date;
Bell Circuit ID and Order Number: ECCKT 95.XHGS.614013..NE; C5NJ0944
- TOTAL INSTALL INTERVAL FROM MCIW ASR
ACKNOWLEDGEMENT TO BAN LOOP DELIVERY: 45 BUSINESS
DAYS
 - 11/12: Loop not delivered. 11/11 was BA holiday.
 - 11/12: BA reports loop scheduled for 11/17 delivery.
 - 11/17: ASR re-FOC'd for an 11/17 loop date.
 - 11/17: Loop not delivered.
 - 11/17-12/01: MCIW continues to esc for late loop to 4th/5th
level at BA.
 - 12/01: BA reports mid-span repeating has been installed.
Waiting for re-dispatch date.
 - 12/02: MCIW continues esc for loop.
 - 12/10: MCIW accepts loop from BAN.

Actions Taken

- Daily Meetings to Address Missed Installs
- Weekly Meetings to Monitor DS3 Provisioning
- Monthly Manager Meeting (Provisioning/Install/Maintenance)
- MCIW Adjusted
 - DS3 Interval to 45 Days
 - DS1s Ordered 3 Days in Advance of Customer Requirement
- Established Telco Escalation Organization
- MCIW Provided Multiple Action Plans Over Last 18 Months
- BA has Missed Multiple Commitments in Response to MCIW Action Plans

Actions Taken (cont'd.)

- Four Executive Meetings in Last 18 Months
 - 9/3/97 - Bill LaPerch, Mona Abutaleb, Peg Ricca, Craig Soloff
 - 1/28/98 - Bill LaPerch, Mona Abutaleb, Peg Ricca, Craig Soloff, Dave Douglas
 - 4/22/98 - Bill LaPerch, Mona Abutaleb, Peg Ricca, Craig Soloff
 - 11/24/98 - Bill LaPerch, Mona Abutaleb, Peg Ricca, Craig Soloff, Dave Douglas

BA 1999 Action Plan: Maintenance

Return to 1Q98 MTTR

BA MTTR Performance:

OBJECTIVES

1Q 1998

ACTUAL

BA S DS1 MTTR = 1.5 hours

2.97 hours

BA N DS1 MTTR = 1.5 hours

3.50 hours

BA S DDS MTTR = 1.5 hours

2.36 hours

BA N DDS MTTR = 1.5 hours

2.90 hours

BA S VG MTTR = 3.5 hours

2.80 hours

BA N VG MTTR = 3.5 hours

3.30 hours

BA 1999 Action Plan: Maintenance Return to 1Q98 MTTR (Cont'd.)

BA MTTR Over Objective:

OBJECTIVES

1Q 1998 ACTUAL

BA S DS1 MTTR 40% >1.5 hours	53.56%
BA N DS1 MTTR 45% >1.5 hours	65.80%
BA S DDS MTTR 43% >1.5 hours	55.59%
BA N DDS MTTR 40% >1.5 hours	54.10%
BA S VG MTTR 25% >3.5 hours	28.63%
BA N VG MTTR 25% >3.5 hours	32.60%

MCIWorldcom WANTS THE FCC TO.....

- Mediate with the parties
- Compel BA to implement MCIWorldCom's 11/24/98 Action Plan
- Encourage parties to enter Consent Decree to establish standards and implement penalties for non-compliance
- Actively monitor BA's compliance

MTTR Objectives/Penalties

Objectives	60 Days	90 Days	120 Days
BAS DS1 MTTR 40%>1.5 hrs.	\$50K	\$100K	\$150K
BAN DS1 MTTR 45%>1.5 hrs.	\$50K	\$100K	\$150K
BAS DDS MTTR 43%>1.5 hrs.	\$50K	\$100K	\$150K
BAN DDS MTTR 40%>1.5 hrs.	\$50K	\$100K	\$150K
BAS VG MTTR 25%>3.5 hrs.	\$50K	\$100K	\$150K
BAN VG MTTR 25%>3.5 hrs.	\$50K	\$100K	\$150K
Subtotal MTTR:	\$300K	\$600K	\$900K